

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE COMMISSION,)
)
) *Plaintiff,*)
)
 vs.) Civil Action No. 4:12-cv-1638
)
)
)
)
 STEVEN H. BETHKE,)
)
) *Defendant.*)

COMPLAINT

Plaintiff, United States Securities and Exchange Commission (the “Commission”)
alleges:

I. SUMMARY OF ACTION

1. From January 2009 through May 2010, Steven H. Bethke misappropriated share certificates from Bederra Corporation while he controlled Bederra’s transfer agent, First National Trust Company. Bethke used the stolen certificates, which had been pre-printed with the signatures of Bederra officers and directors, to secretly issue over a billion Bederra shares. Bethke sold the misappropriated shares to the third party in exchange for wire-transfer payments into his personal bank account of approximately \$355,000. Bethke signed purchase agreements falsely warranting that he had good title to the shares and that they were freely tradeable when, in fact, he had misappropriated the shares and the sales were not eligible for any exemption from registration under the securities laws. Bethke forged the signature of Bederra’s president and

chief executive officer on certifications claiming that Bederra was aware of the sales when the company knew nothing about the transactions. Bethke also prepared letters falsely stating that he had obtained the shares from the company more than a year before and that the sales to the third party were therefore exempt from registration under the securities laws. All of these documents were provided to brokers so that the third-party purchaser could immediately sell the shares into the open market.

II. JURISDICTION AND VENUE

2. The Commission brings this civil enforcement action pursuant to the authority conferred upon it by Section 20(b) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77t(b)] and Sections 21(d) and (e) of the Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78u (d) and (e)].

3. This Court has jurisdiction over this action under the provisions of Sections 20(b) and Section 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)], and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and (e) and 78aa].

4. Defendant, directly and indirectly, singly or in concert, made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, or of the mails in connection with the acts, practices and courses of conduct alleged in this Complaint, certain of which occurred within the Southern District of Texas.

5. Venue is proper in this court pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa], because Bethke resides in Houston, Texas and many of the transactions, acts, practices and course of business constituting the violations of law alleged herein occurred within this judicial district.

6. In connection with the transactions, acts, practices, and courses of business described in this Complaint, Bethke, directly and indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the means and instruments of transportation or communication in interstate commerce.

7. Bethke, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices and courses of business as set forth in this complaint or in similar illegal transactions, acts, practices and courses of business.

III. THE DEFENDANT AND RELEVANT ENTITIES

8. **Steven H. Bethke** is a resident of Houston, Texas. Bethke was a director of Bederra from approximately August 2007 until October 2008. Bethke was also the sole principal of First National Trust Company from May 2007 and July 2010.

9. **Bederra Corporation** (“Bederra”), now known as Zicix Corporation, is a Texas corporation located in Houston, Texas. Its common stock is quoted on OTC Link, commonly known as the “Pink Sheets” (symbol “BEDA” and now “ZICX”). Bederra has never registered or filed periodic reports with the Commission.

10. **First National Trust Company** (“First National”), is a transfer agent based in Bellaire, Texas. First National was Bederra’s transfer agent from approximately August 2007 until July 2010, and Bethke, as First National’s sole principal, controlled First National for the entire period.

IV. SUMMARY OF VIOLATIONS

11. Through the activities alleged in this Complaint, Bethke, directly or indirectly, engaged in transactions, acts, practices and courses of business that violated Securities Act

Sections 5(a), 5(c), and 17(a) [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], and Exchange Act Section 10(b) [15 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

V. FACTS

12. In 2007, Bederra engaged First National to serve as its transfer agent. Bethke controlled First National as its sole principal.

13. In early 2009, Bethke contacted a third party to ask whether it would purchase Bederra stock.

14. Bethke then devised a plan to use blank stock certificates, which First National held in trust for Bederra and which were pre-printed with the signatures of two Bederra officers and directors, to issue shares to the third party. No one at Bederra gave Bethke permission to issue these shares. In fact, no one at Bederra knew that Bethke issued any of these shares until months later.

15. Each time the third-party purchaser wanted to buy Bederra shares, a representative of the third party called Bethke and told him how many shares the third party wanted to buy and the purchase price, which was always at a significant discount to the price at which Bederra's stock was trading in the open market. Bethke then filled in the agreed-upon quantity of shares on the face of a blank stock certificate he had misappropriated from Bederra and provided the certificate to the third party.

16. As described in more detail in paragraphs 19 – 22 below, Bethke used these misappropriated stock certificates to secretly issue approximately 1.14 billion shares of Bederra stock to the third-party purchaser on 20 different occasions from March 2009 through May 2010. In return, the third-party purchaser wired a total of \$355,250 into Bethke's personal bank account. The third-party purchaser sold the stock within days or weeks of receiving it from Bethke.

17. Section 5 of the Securities Act requires the sale of securities to be registered with the Commission, or qualify for a statutory exemption from registration. If the sales are unregistered, and if no statutory exemption applies, the sales violate Section 5.

18. No registration statement was in effect for any of Bethke's sales to the third-party purchaser, and no exemptions from registration are available.

19. The first of Bethke's illicit sales took place in or around March 2009. Bethke used a share certificate he had misappropriated from Bederra to issue, offer and sell, without Bederra's knowledge or authorization, 2.5 million shares of Bederra common stock to the third-party purchaser. Bethke executed a purchase agreement, based on a form provided by the third-party purchaser, in which he falsely represented to the third party, among other things, that he was duly authorized to perform the contract, he had good title to the shares, and the shares were "not restricted in character, [were] not legended, and [were] freely tradable." In reality, Bethke had misappropriated the shares, and the shares were not freely tradeable because no registration statement was in effect and no exemption from registration applied. The purchase agreement was provided to the third-party purchaser's stockbroker, who, on April 2, 2009, began selling the shares in the third party's account. On March 31, 2009, the third-party wired \$5,625 to Bethke's personal bank account.

20. On 19 subsequent occasions from March 2009 through May 2010, Bethke issued, offered, and sold approximately 1.1375 billion shares to the same third-party purchaser. These subsequent transactions all followed the same pattern described in paragraph 19: Bethke and the third party entered into the form of purchase agreement described above, and the agreement was provided to the third party's broker; Bethke issued the shares to the third party using share certificates pre-printed with the signatures of Bederra officers and directors; the third party wired

the purchase price to Bethke's bank account; and the third party sold the shares on the open market.

21. The third party typically sold the shares within days of receiving them from Bethke, and in every case sold them within weeks of receipt. By May 2010, the third party had sold all of the Bederra shares obtained from Bethke.

22. Bethke received 20 separate wire transfer payments totaling \$355,250 from the third party in exchange for the shares.

23. In April 2009, Bethke began fabricating documents associated with the sales transactions. In connection with two of the sales to the third party, Bethke prepared a letter claiming that Bederra was aware of the transaction, on which he forged the signature of Bederra's president and CEO. No one at Bederra, however, knew about the sales until many months later. The letter was provided to the third party's broker to facilitate the immediate clearing and trading of the shares in the third party's account.

24. In connection with subsequent sales to the third-party purchaser, Bethke signed the name of Bederra's president and CEO on certifications falsely stating that Bederra was aware of the transactions and that the shares being sold to the third-party purchaser would be "fully-paid, non-assessable, [and] un-restricted." Bederra's president and CEO did not know about the transactions. Bethke forged Williams' signature 17 separate times, on each of these acknowledgements. The shares, moreover, were restricted because Bethke was selling them to the third party in an unregistered offering to which Bethke knew or should have known that no exemption from the securities laws applied. These certifications were provided to the third party's broker to facilitate the immediate clearing and trading of the shares in the third party's account.

25. For many of these sales, Bethke signed letters containing two false representations. First, Bethke represented that Bederra had issued the shares to him a year prior to his subsequent sale to the third party. Second, Bethke represented that the shares bore a legend preventing resale, but, because Bethke had purportedly held the shares for a year, the restrictive legend had been removed in compliance with the securities laws. Bethke knew none of this was true. He issued the shares when he sold them to the third party, not a year prior, and they never bore a legend preventing resale. Resale was impermissible because the sales were not registered and no exemption from registration applied. The letters were provided to the third party's broker in order to facilitate the immediate clearing and trading of the shares in the third party's account.

26. Bethke also created 13 back-dated officer's certificates and 13 back-dated corporate resolutions, on which he forged the signature of Bederra's president and CEO. The officer's certificates, which Bethke back-dated to a year and a day prior to the actual sale to the third party, falsely represented that the stock was sold to Bethke in a transaction exempt from registration under state and federal securities laws. The resolutions, which Bethke also back-dated a year and a day prior to the actual sale to the third party, falsely stated that Bederra had accepted Bethke's offer to purchase the shares and purported to approve the issuance of shares. Bethke fabricated these back-dated documents to make it appear as though he had lawfully obtained the shares from Bederra and the sales were made in compliance with the registration provisions of the securities laws.

27. Bethke's secret issuance of over a billion shares defrauded investors by greatly depressing Bederra's stock price. By the time the third party had sold all of the shares, Bederra shareholders had lost nearly half the value of their shares. The secret issuance also caused a massive understatement of Bederra's public float, or the number of outstanding shares in the open

market, an important measure of Bederra's liquidity. Bederra publicly reported a float of approximately 400 million shares, but, unbeknownst to investors, Bethke's unauthorized issuances more than tripled Bederra's actual float to approximately 1.5 billion shares.

VI. CLAIMS FOR RELIEF

**FIRST CLAIM FOR RELIEF
Offer and Sale of Unregistered Securities –
Sections 5(a) and 5(c) of the Securities Act
[15 U.S.C. §§ 77e(a) and 77e(c)]**

28. Paragraphs 1 through 27 are hereby realleged and incorporated by reference as if fully set forth herein.

29. The shares of common stock Bethke offered and sold to the third-party purchaser are "securities" as that term is defined in Section 2(a)(1) of the Securities Act and Section 2(10) the Exchange Act, 15 U.S. C. §§ 77b(a)(1) and 78(b)(10).

30. Bethke, directly or indirectly, singly or in concert, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise, or caused to be carried through the mails or in interstate commerce by any means or instruments of transportation, securities for the purpose of sale or for delivery after sale when no registration statement was in effect as to those securities.

31. Bethke, directly or indirectly, singly or in concert, made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy securities through the use or medium of a prospectus or otherwise, when no registration statement had been filed for those securities.

32. By reason of the foregoing conduct Bethke has violated and, unless restrained and enjoined, will continue to violate Sections 5(a) and 5(c) of the Securities Act , 15 U.S.C. §§ 77e(a) and 77e(c).

SECOND CLAIM FOR RELIEF
Fraud – Section 10(b) and Rule 10b-5
of the Exchange Act (Purchase and Sale of Securities)
[15 U.S.C. §§ 78j(b) and §240.10b-5]

33. Paragraphs 1 through 27 are hereby realleged and incorporated by reference as if fully set forth herein.

34. By engaging in the conduct described above, Bethke, directly or indirectly, with scienter, in connection with the purchase or sale of securities, by use of the means or instruments of interstate commerce or by use of the mails, employed devices, schemes or artifices to defraud; made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in acts, practices or courses of business which operated or would have operated as a fraud or deceit upon purchasers of such securities.

35. By reason of the foregoing, Bethke violated, and unless enjoined, will continue to violate, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

THIRD CLAIM FOR RELIEF
Fraud -- Section 17(a)
of the Securities Act (Offer and Sale of Securities)
[15 U.S.C. §§ 77q(a)]

36. Paragraphs 1 through 27 are hereby realleged and incorporated by reference as if fully set forth herein.

37. Bethke, directly or indirectly, with scienter, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of

the mails, employed a device, scheme, or artifice to defraud. By reason of the foregoing, Bethke violated and unless restrained and enjoined will in the future violate Section 17(a)(1) of the Securities Act.

38. Bethke, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading. By reason of the foregoing, Bethke violated and unless restrained and enjoined will in the future violate Section 17(a)(2) of the Securities Act.

39. Bethke, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which have been or are operating as a fraud or deceit upon the purchasers of securities. By reason of the foregoing, Bethke violated and unless restrained and enjoined will in the future violate Section 17(a)(3) of the Securities Act.

VII. PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Find that Bethke committed the violations alleged.

II.

Enter injunctive relief permanently restraining and enjoining Bethke from, directly or indirectly, to the full extent provided by Rule 65(d) of the Federal Rules of Civil Procedure, violating the provisions of law and rules alleged in this Complaint.

III.

Order Bethke to disgorge and pay over, as the Court may direct, all ill-gotten gains received, or benefits in any form derived, from the conduct alleged in this Complaint, together with pre-judgment and post-judgment interest as provided by law.

IV.

Order that Bethke be permanently prohibited from acting as an officer and director of any public company.

V.

Order that Bethke be permanently barred from participating in any offering of penny stock.

VI.

Grant other relief as this Court may deem just or appropriate.

Dated: May 31, 2012

Respectfully submitted,

s/Toby M. Galloway
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